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MEMORANDUM

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2009 APR -3 P 2:11

FROM: Ernest G. Johnson
Director
Utilities Division

DOCKETED

APR -3 2009

AZ CORP COMMISSION
DOCKET CONTROL

DATE: April 3, 2009

DOCKETED BY

RE: NORTHERN SUNRISE WATER COMPANY AND SOUTHERN SUNRISE WATER COMPANY - MOTION FOR EXTENSION OF TIME TO COMPLY (DOCKET NOS. W-20453A-06-0247, W-20454A-06-0248, W-20453A-06-0251, W-20454A-06-0251, W-01646A-06-0251, W-01868A-06-0251, W-02235A-06-0251, W-02316A-06-0251, W-02230A-06-0251, W-01629A-06-0251, AND W-02240A-06-0251)

In Decision No. 68826, dated June 29, 2006, the Arizona Corporation Commission ("Commission") approved the joint application of Northern Sunrise Water Company and Southern Sunrise Water Company ("NSWC", "SSWC" or collectively, "The Companies") for a Certificate of Convenience and Necessity ("CC&N") to provide water utility service in Cochise County as well as the sale and transfer of water utility assets and cancellation of the CC&Ns of the McLain Systems.

On May 30, 2007, the Companies filed a Motion for extension of time to comply to complete system improvements until February 19, 2008, and to file a rate case no later than December 31, 2008, utilizing a June 30, 2008 test year. By Procedural Order, dated August 16, 2007, the motion was granted.

On February 14, 2008, the Companies again filed a Motion for extension of time to comply to complete system improvements until December 31, 2008, and to file a rate case no later than April 1, 2009, utilizing a December 31, 2008 test year. By Procedural Order, dated April 21, 2008, the motion was granted.

On February 23, 2009, the Companies filed a third Motion for extension of time to file a rate case until and no later than August 31, 2009. The purpose is to file the rate cases concurrent with the upcoming rate case filing for Bella Vista Water Company ("BVWC") which is an affiliate. NSWC and SSWC are seeking to eventually consolidate the three water companies into a single water service provider and believe that utilizing the same filing date and test year for all three would be beneficial.

Staff does not object to the Companies motion to file the rate case no later than August 31, 2009, utilizing a March 31, 2009 test year. Staff does wish to make certain that NSWC and SSWC provide all required information utilizing the March 31, 2009 test year end, so that the most current information is filed in the rate case. Staff recommends that the rate case

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filing, utilizing a March 31, 2009 test year end, not be made sufficient if any of the comparative years utilized in the rate case filing do not also utilize a March 31, 2009 year end.

Staff recommends that no further time extensions be granted in this matter.

EGJ:KDB:lhv

Originator: Kimberly D. Battista

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SUNRISE WATER COMPANY

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